

## Foreign Investments in 1963-64

**M**ASSIVE increases in U.S. private foreign investments have been a major feature of the U.S. balance of payments in 1963 and the first half of 1964. A record amount of \$6.3 billion was added to these holdings in 1963, raising the accumulated total to over \$66 billion. The increase reflected peak capital outflows of \$4.3 billion, reinvested earnings of over \$1.5 billion, and \$0.5 billion in improved market values of securities

half outflows included some unusual factors, such as very large flows to Japan, a carryover of new foreign security issues negotiated prior to the announcement of the IET, and increased financing related to a rise in exports. If these influences diminish and are not replaced by others, such as a considerable relative increase in capital costs abroad, the first half rate of outflow may not be fully sustained in the remainder of the year.

to this extent the shift to Europe as the locus for new offerings did not change the actual source of funds. In 1962 and 1963 these purchases in the United States by nonresidents, probably Europeans for the most part, averaged about \$175 million a year (table 5). Whether the European market will absorb as large a volume of issues in the period ahead is not clear. Most of the increase has been in the United Kingdom, Germany, and Luxembourg; the Netherlands market has been closed (after being sizable in 1961), the Swiss market has not shared in the recent development, and the French market has been very limited. Although issues offered in the individual countries are not necessarily purchased by residents—Luxembourg being the prime example—each country tends to regulate access depending on the local monetary situation, and, in general, European countries are currently tightening their credit policies.

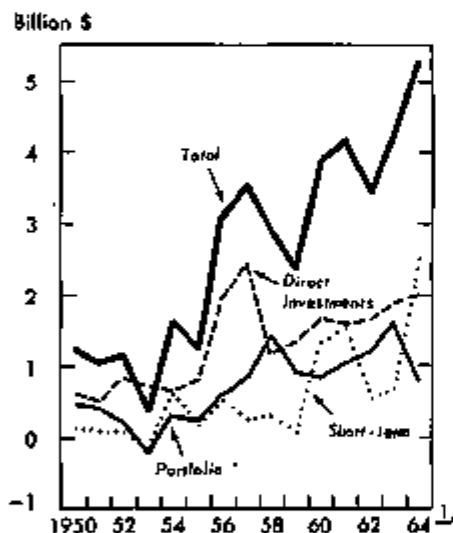
In addition to lowered purchases of new foreign issues, U.S. investors have also swung over to a net liquidation of their holdings of foreign stocks since mid-1963. In the 12 months through June 1963, Americans sold \$687 million of foreign stocks and bought \$699 million; in the following year they sold \$732 million while buying only \$494 million. The shift led to a net inflow of about \$250 million in capital between the 2 years. The proposed tax contributed to the sharp drop in purchases, but domestic investments have also become more attractive; since mid-1962 stock markets in the United States have shown considerably stronger and more consistent gains than those abroad.

### Bank loans expanded

While the capital outflow through purchases of foreign securities was diminishing, there was an offsetting upsurge in term loans by banks. The amount outstanding on these loans with a maturity of over 1 year had increased at an annual rate of about

### PRIVATE CAPITAL OUTFLOW AT RECORD RATE IN EARLY 1964

Short-Term Flow Moves Up Sharply  
Portfolio Investments Drop Under Impact of Securities Tax  
Direct Investments Show Further Moderate Increases



1/Estimated first half 1964 at seasonally adjusted annual rate.

\* Portfolio investments comprise net purchases of foreign securities and loans with a maturity of more than one year.

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(table 1). Each major category of investments, direct, portfolio and short-term, scored greater gains than in 1962.

Though data for the first half of 1964 are still incomplete, capital outflow appeared to be over a \$5 billion annual rate, with short-term lending more than double the 1963 amount, direct investments not significantly changed, and portfolio investments slowed down substantially as the effects of the proposed interest equalization tax (IET) and other market factors were felt. First

### Portfolio and Short-Term Investments

In the past year and a half U.S. transactions in foreign securities have undergone very wide swings. Sales of new issues of foreign securities reached a peak of \$1 billion in the first half of 1963 (table 5), and then declined to about \$300 million in the second half. The July 1963 announcement of a proposed tax on U.S. purchases of most types of foreign securities brought negotiations for new flotations nearly to a halt. Of approximately \$670 million sold to U.S. investors in the period July 1963-June 1964, only about \$120 million were of a type subject to the tax, and about half of these were issues negotiated prior to the tax proposal. Canadian sales were largely of issues previously arranged for; European issues were almost entirely stopped, as were those of other developed countries.

As the U.S. market for foreign issues contracted there was a compensating opening up of European capital markets to foreign issues. These markets had absorbed an average of under \$0.5 billion of foreign issues annually in 1961-63, without exhibiting consistent growth. In the first half of 1964 alone roughly \$0.6 billion of foreign issues were sold in Europe. These were mainly European issues, but included about \$0.2 billion of Japanese issues.

Some of the sales in Europe were presumably to foreign investors who had previously purchased parts of new issues offered in the United States, and

\$200 million in 1960-62. The increase rose sharply to \$150 million in the first half of 1963 and \$410 million in the second (after eliminating for the year about \$280 million of increases related to changes in coverage and other factors). Outflows of this type remained high at about \$310 million in the first half of 1964, then appeared to taper off after March.

Nearly \$0.5 billion of these bank loans in 1963 went to Western Europe, largely in the fourth quarter, a much larger amount than in any earlier period. While the loans were spread over many countries, Italy alone received about \$180 million. Sizable lending to Europe continued into 1964. Japan also received large term loans in 1963 and in 1964.

Short-term lending and holdings of commercial paper reported by U.S. banks also expanded much more rapidly in 1963 than in 1962, though the \$740 million outflow was still well below the amounts in 1960-61. Principal borrowers in 1963 were Japan, the Philippines, a few Latin American countries, and Canada. Most of this lending represents commercial credits which, because they tend to be renewed and expanded over time, are not much different in their economic effect from loans with longer original maturities.

A much faster expansion of these credits, amounting to over \$950 million, took place in the first half of 1964. Japan remained the principal borrower, the flow to Canada increased, and the United Kingdom also received some short-term funds.

On balance, nonfinancial concerns reduced their holdings of liquid assets outside the United States in 1963, especially of assets recorded in Canada. This year there are indications that transfers of funds into liquid foreign assets by such firms may again be a significant factor in the balance of payments, though the data covering this kind of capital movement are probably relatively incomplete. Given the rising volume of cash available for liquid investment by nonfinancial concerns, changes in relative yields of comparable domestic and foreign assets may well result in substantial shifts of funds among countries.

## Direct Investments Abroad

U.S. business stepped up the pace of foreign expansion in 1963, and by all available indications will continue to maintain a vigorous growth rate abroad for some time ahead. Total additions to the foreign investments of the parent companies amounted to \$3.4 billion in 1963, second only to the 1957 peak when petroleum investments were extraordinarily high. The additions came from net capital outflows of \$1.9 billion and reinvested earnings of nearly \$1.6 billion, compared with 1962 equivalents of \$1.7 billion and \$1.2 billion. With the latest additions, the total book value of the direct investments was nearly \$41 billion at the beginning of 1964.

While the heightened rate of parent company investment is related primarily to further expansions of productive facilities and working capital needs abroad, perhaps \$100-\$200 million of the earnings retained abroad in 1963 were withheld until reduced U.S. corporate profit tax rates became effective in 1964. Thus, there were unusually high dividend distributions early in 1964.

### Concentration in developed countries

About three-quarters of the growth of direct foreign investments in 1963 was in developed countries, continuing a trend evident for some time, as shown in the profile chart. Investments in Europe, which had been growing at a rate of about \$1.1 billion a year in 1961 and 1962, were increased by \$1.5 billion in 1963.

Manufacturing investments in Europe rose by over \$650 million last year, but capital flows were lower than in the previous year in spite of nearly \$100 million included for the purchase of stock in a French company, while undistributed profits were considerably higher. As noted above, the latter may in part represent only temporarily delayed dividend payments. Capital flows were down sharply for France (except for the single large transaction), Germany, and the United Kingdom, but for the United Kingdom this was more than matched by a jump in undistributed profits. It now appears that capital requirements for new facilities and acquisitions of interests in

existing enterprises will continue high, but less financing from the United States may be needed.<sup>1</sup>

The petroleum industry also invested in Europe at an accelerated rate in 1963, especially in Germany and Italy. This step up was related to the expansion of European refining capacity of U.S. companies by about 20 percent in 1963. While this activity may have slackened somewhat in 1964, the exploration and development of reserves in the North Sea will probably call forth large additional investments.

In Canada, over \$850 million was added to U.S. direct investments—substantially more than in 1961 and 1962 and moving toward the peak rates of 1956-60. Faster growth was evident for both manufacturing and petroleum,

<sup>1</sup> A report on sources and uses of funds of foreign affiliates is being prepared for the October Survey of Current Business.

Table 1.—Factors Affecting the U.S. Private Investment Position, 1962 and 1963  
(Millions of dollars)

| Type of investment                                        | 1962 <sup>1</sup> | 1963   |
|-----------------------------------------------------------|-------------------|--------|
| <b>U.S. private investments abroad</b>                    |                   |        |
| Total, beginning of year                                  | 55,581            | 60,025 |
| Add: Capital outflow <sup>2</sup>                         | 3,424             | 4,301  |
| Reinvested earnings                                       | 1,193             | 1,565  |
| Price changes and other adjustments                       | -188              | 475    |
| Total, end of year                                        | 60,025            | 66,366 |
| <b>Direct investments</b>                                 |                   |        |
| Value, beginning of year                                  | 34,877            | 37,230 |
| Add: Capital outflow <sup>2</sup>                         | 1,854             | 2,888  |
| Reinvested earnings                                       | 1,193             | 1,565  |
| Other adjustments <sup>3</sup>                            | -293              | -34    |
| Value, end of year                                        | 37,230            | 40,645 |
| <b>Other long-term private investments abroad</b>         |                   |        |
| Value, beginning of year                                  | 14,359            | 16,506 |
| Add: Capital outflow <sup>2</sup>                         | 1,570             | 1,413  |
| Price changes                                             | -114              | 463    |
| Other adjustments <sup>3</sup>                            | 4                 | -27    |
| Value, end of year                                        | 15,804            | 17,951 |
| <b>Short-term assets and claims</b>                       |                   |        |
| Value, beginning of year                                  | 6,356             | 7,293  |
| Add: Capital outflow <sup>2</sup>                         | 333               | 739    |
| Enhanced coverage of reports                              | 201               | 83     |
| Value, end of year                                        | 7,293             | 8,115  |
| <b>Foreign long-term investments in the United States</b> |                   |        |
| <b>Direct investments</b>                                 |                   |        |
| Value, beginning of year                                  | 7,262             | 7,012  |
| Add: Capital inflow <sup>2</sup>                          | 132               | 2      |
| Reinvested earnings                                       | 214               | 294    |
| Other adjustments <sup>3</sup>                            | -121              | 108    |
| Value, end of year                                        | 7,487             | 7,616  |
| <b>Other long-term investments</b>                        |                   |        |
| Value, beginning of year                                  | 14,062            | 12,004 |
| Add: Capital inflow <sup>2</sup>                          | 141               | 784    |
| Price changes                                             | -1,511            | 1,002  |
| Other adjustments <sup>3</sup>                            | -76               | 40     |
| Value, end of year                                        | 12,004            | 14,830 |

<sup>1</sup> Revised.  
2. Included in the balance of payments accounts; revised series will be in Survey of Current Business for September 1964.

3. For details see note to Table 2.  
4. In 1962 includes reclassifications (-\$47 million) and foreign exchange depreciation (\$63 million); in 1963 includes mainly reclassifications.

5. Mainly reclassifications of portfolios of foreign controlled insurance companies.

Table 2.—Value of Direct Investments Abroad<sup>1</sup> by

Table 3.—Direct-Investment Capital Flow and Undistributed Subsidiary

Table 4.—Direct-Investment Earnings and Income,<sup>2</sup>

[Millions of dollars]

| Line | Area and country                                    | Table 2 |        |        |        |        |                     |           |               |                  |       | Table 3              |       |       |                     |           |                                   |       |       |       |       | Table 4 |                     |  |
|------|-----------------------------------------------------|---------|--------|--------|--------|--------|---------------------|-----------|---------------|------------------|-------|----------------------|-------|-------|---------------------|-----------|-----------------------------------|-------|-------|-------|-------|---------|---------------------|--|
|      |                                                     | 1950    | 1957   | 1961*  | 1962*  | 1963*  |                     |           |               |                  |       | Net capital outflows |       |       |                     |           | Undistributed subsidiary earnings |       | 1962  | 1963* | 1964* |         |                     |  |
|      |                                                     |         |        |        |        | Total  | Mining and smelting | Petroleum | Manufacturing | Public utilities | Trade | Other                | 1962  | Total | Mining and smelting | Petroleum | Manufacturing                     | Other |       |       |       | Total   | Mining and smelting |  |
|      |                                                     |         |        |        |        |        |                     |           |               |                  |       |                      |       |       |                     |           |                                   |       |       |       |       |         |                     |  |
| 1    | All areas, total.....                               | 11,788  | 25,394 | 34,067 | 37,226 | 38,040 | 3,369               | 13,436    | 14,436        | 2,051            | 3,305 | 3,451                | 1,654 | 1,888 | 65                  | 810       | 716                               | 297   | 1,196 | 1,645 | 88    |         |                     |  |
| 2    | Canada, total.....                                  | 3,579   | 8,766  | 11,662 | 12,133 | 13,016 | 1,549               | 3,133     | 5,746         | 408              | 747   | 1,368                | 314   | 392   | 1                   | 186       | 181                               | 51    | 371   | 523   | 45    |         |                     |  |
| 3    | Latin American Republics, total.....                | 4,445   | 7,334  | 8,236  | 8,424  | 8,657  | 1,093               | 3,044     | 3,183         | 716              | 681   | 770                  | -32   | 64    | -6                  | -81       | 187                               | 44    | 269   | 273   | 5     |         |                     |  |
| 4    | Mexico, Central America and West Indies, total..... | 1,408   | 2,234  | 1,893  | 2,312  | 2,064  | 161                 | 284       | 347           | 131              | 360   | 432                  | 9     | 85    | -5                  | 22        | 43                                | 13    | 121   | 79    | -1    |         |                     |  |
| 5    | Costa Rica.....                                     | 106     | 166    | 126    | 126    | 122    | (*)                 | 27        | (*)           | 69               | 8     | 21                   | -1    | -6    | (*)                 | -2        | (*)                               | -3    | 2     | 2     | (*)   |         |                     |  |
| 6    | Honduras.....                                       | 42      | 109    | 15     | 98     | 105    | (*)                 | (*)       | (*)           | 23               | 1     | 50                   | 3     | 4     | (*)                 | (*)       | (*)                               | 4     | 1     | 1     | (*)   |         |                     |  |
| 7    | Paraguay.....                                       | 417     | 739    | 820    | 807    | 105    | 116                 | 60        | 103           | 31               | 83    | 164                  | 25    | 27    | 1                   | 1         | 42                                | -8    | 25    | 13    | (*)   |         |                     |  |
| 8    | Other countries.....                                | 58      | 291    | 496    | 437    | 430    | 19                  | 04        | 12            | 27               | 274   | 195                  | -23   | 38    | 2                   | 2         | 24                                | 94    | 90    | 63    | (*)   |         |                     |  |
| 9    | Other countries.....                                | 847     | 1,060  | 269    | 255    | 310    | 33                  | (*)       | 24            | 47               | 15    | 261                  | 8     | 28    | (*)                 | (*)       | 2                                 | 21    | 2     | 2     | (*)   |         |                     |  |
| 10   | South America, total.....                           | 2,357   | 3,296  | 6,426  | 6,513  | 6,530  | 332                 | 2,810     | 1,559         | 420              | 481   | 264                  | -41   | -22   | -1                  | -103      | 57                                | 26    | 147   | 24    | 6     |         |                     |  |
| 11   | Argentina.....                                      | 256     | 333    | 670    | 704    | 628    | (*)                 | (*)       | 454           | (*)              | 39    | 230                  | 161   | 10    | (*)                 | (*)       | 31                                | -14   | 22    | 1     | (*)   |         |                     |  |
| 12   | Brazil.....                                         | 444     | 845    | 1,085  | 1,061  | 1,128  | 30                  | 60        | 903           | 100              | 147   | 28                   | 14    | -12   | (*)                 | (*)       | (*)                               | 4     | 63    | 57    | (*)   |         |                     |  |
| 13   | Chile.....                                          | 649     | 668    | 725    | 730    | 705    | 263                 | (*)       | 27            | (*)              | 15    | 228                  | 13    | 14    | (*)                 | (*)       | 1                                 | 11    | 11    | (*)   |       |         |                     |  |
| 14   | Colombia.....                                       | 108     | 396    | 435    | 433    | 405    | (*)                 | 246       | 120           | 27               | 23    | 10                   | 21    | -1    | (*)                 | (*)       | -13                               | 10    | 10    | (*)   |       |         |                     |  |
| 15   | Peru.....                                           | 145     | 333    | 426    | 432    | 449    | 210                 | 60        | 64            | 21               | 41    | 27                   | 14    | -4    | (*)                 | (*)       | 17                                | 1     | 1     | (*)   |       |         |                     |  |
| 16   | Uruguay.....                                        | 36      | 37     | 49     | 62     | 31     | (*)                 | (*)       | 20            | (*)              | 6     | 24                   | 2     | 2     | (*)                 | (*)       | (*)                               | 1     | 1     | 1     | (*)   |         |                     |  |
| 17   | Venezuela.....                                      | 993     | 2,465  | 2,007  | 2,516  | 2,537  | (*)                 | 2,110     | 202           | 57               | 185   | 218                  | -108  | 134   | (*)                 | (*)       | (*)                               | 7     | 20    | 35    | (*)   |         |                     |  |
| 18   | Other countries.....                                | 37      | 66     | 167    | 66     | 68     | 6                   | 45        | 8             | 10               | 8     | 17                   | -2    | (*)   | (*)                 | (*)       | (*)                               | 1     | 1     | 1     | (*)   |         |                     |  |
| 19   | Other Western Hemisphere.....                       | 231     | 615    | 954    | 1,050  | 1,218  | 310                 | 533       | 108           | 46               | 52    | 226                  | 61    | 150   | 38                  | 77        | 41                                | 9     | 40    | 10    | 2     |         |                     |  |
| 20   | Europe, total.....                                  | 1,235   | 4,161  | 7,742  | 8,439  | 9,361  | 35                  | 2,028     | 5,410         | 40               | 1,264 | 585                  | 809   | 693   | 7                   | 355       | 261                               | 166   | 290   | 668   | -3    |         |                     |  |
| 21   | Common Market, total.....                           | 637     | 1,690  | 3,101  | 3,723  | 4,471  | 21                  | 1,326     | 2,515         | 32               | 436   | 147                  | 485   | 570   | (*)                 | 254       | 271                               | 86    | 61    | 141   | (*)   |         |                     |  |
| 22   | Belgium and Luxembourg.....                         | 19      | 103    | 202    | 280    | 361    | (*)                 | 43        | 221           | 1                | 31    | 11                   | 27    | 30    | (*)                 | 5         | 16                                | 0     | -7    | 28    | (*)   |         |                     |  |
| 23   | France.....                                         | 217     | 464    | 800    | 1,030  | 1,226  | 10                  | 281       | 769           | 10               | 158   | 27                   | 124   | 169   | (*)                 | 3         | 120                               | 31    | 33    | 23    | (*)   |         |                     |  |
| 24   | Germany.....                                        | 204     | 581    | 1,182  | 1,470  | 1,772  | (*)                 | 108       | 1,118         | 3                | 108   | 48                   | 243   | 201   | (*)                 | 123       | 78                                | 8     | 42    | 43    | (*)   |         |                     |  |
| 25   | Italy.....                                          | 63      | 322    | 491    | 554    | 608    | (*)                 | 260       | 269           | 2                | 64    | 38                   | 36    | 120   | (*)                 | 81        | 25                                | 9     | 2     | 5     | (*)   |         |                     |  |
| 26   | Netherlands.....                                    | 64      | 114    | 300    | 370    | 446    | (*)                 | 261       | 154           | 25               | 60    | 18                   | 51    | 62    | (*)                 | 42        | 13                                | -2    | 12    | 6     | (*)   |         |                     |  |
| 27   | Other Europe, total.....                            | 1,496   | 2,471  | 4,641  | 5,206  | 5,890  | 46                  | 1,408     | 3,995         | 8                | 797   | 438                  | 264   | 313   | (*)                 | 163       | 83                                | 117   | 211   | 427   | (*)   |         |                     |  |
| 28   | Denmark.....                                        | 32      | 42     | 95     | 116    | 134    | 1                   | 88        | 20            | (*)              | 16    | 3                    | 23    | 18    | (*)                 | 14        | 3                                 | (*)   | -3    | -1    | (*)   |         |                     |  |
| 29   | Norway.....                                         | 24      | 31     | 94     | 105    | 122    | (*)                 | 17        | 27            | (*)              | 13    | 17                   | 11    | 7     | (*)                 | 3         | 8                                 | (*)   | 3     | 8     | (*)   |         |                     |  |
| 30   | Spain.....                                          | 31      | 44     | 76     | 80     | 159    | (*)                 | 40        | 83            | (*)              | 21    | 8                    | 2     | 26    | (*)                 | 18        | 11                                | 4     | 4     | 5     | (*)   |         |                     |  |
| 31   | Sweden.....                                         | 69      | 109    | 141    | 174    | 220    | (*)                 | 126       | 36            | (*)              | 41    | 7                    | 34    | 43    | (*)                 | 36        | 16                                | -3    | -2    | 4     | (*)   |         |                     |  |
| 32   | Switzerland.....                                    | 25      | 49     | 388    | 553    | 605    | (*)                 | 30        | 131           | (*)              | 278   | 237                  | 119   | 93    | (*)                 | 3         | 0                                 | 0     | 85    | 136   | (*)   |         |                     |  |
| 33   | Turkey.....                                         | 16      | 43     | 88     | 108    | 112    | (*)                 | 10        | 11            | (*)              | 8     | 4                    | 2     | 2     | (*)                 | 2         | 0                                 | -2    | 8     | 2     | (*)   |         |                     |  |
| 34   | United Kingdom.....                                 | 847     | 1,174  | 3,554  | 3,824  | 4,216  | 2                   | 839       | 2,735         | 2                | 399   | 109                  | 179   | 109   | (*)                 | 26        | 47                                | 33    | 94    | 276   | (*)   |         |                     |  |
| 35   | Other countries.....                                | 63      | 119    | 193    | 226    | 226    | 25                  | 109       | 47            | 1                | 61    | 13                   | 9     | 17    | (*)                 | (*)       | 7                                 | 10    | 10    | 6     | (*)   |         |                     |  |
| 36   | Africa, total.....                                  | 257     | 684    | 1,044  | 1,271  | 1,423  | 351                 | 701       | 176           | 9                | 61    | 165                  | 166   | 164   | 31                  | 62        | 8                                 | 3     | 47    | 96    | 11    |         |                     |  |
| 37   | Liberia.....                                        | 10      | 72     | 180    | 184    | 195    | (*)                 | (*)       | (*)           | (*)              | (*)   | 195                  | 17    | 10    | (*)                 | (*)       | (*)                               | 10    | 1     | (*)   | (*)   |         |                     |  |
| 38   | Libya.....                                          | (*)     | 24     | 177    | 261    | 304    | (*)                 | (*)       | (*)           | (*)              | (*)   | 204                  | 85    | 37    | (*)                 | (*)       | (*)                               | 37    | 3     | (*)   | (*)   |         |                     |  |
| 39   | Republic of South Africa.....                       | 140     | 311    | 311    | 257    | 415    | 67                  | (*)       | 168           | (*)              | 47    | 132                  | 8     | 12    | (*)                 | (*)       | 5                                 | 4     | 30    | 43    | (*)   |         |                     |  |
| 40   | Other countries.....                                | 131     | 267    | 418    | 465    | 510    | 101                 | 272       | 10            | 8                | 18    | 7                    | 48    | 46    | (*)                 | (*)       | (*)                               | 41    | 3     | 2     | 1     |         |                     |  |
| 41   | Asia, total.....                                    | 1,091   | 2,019  | 2,417  | 2,590  | 2,784  | 31                  | 1,925     | 420           | 38               | 200   | 176                  | 92    | 205   | 1                   | 153       | 37                                | 15    | 21    | 76    | 1     |         |                     |  |
| 42   | Middle East, total.....                             | 602     | 1,139  | 1,240  | 1,290  | 1,274  | 1                   | 1,207     | 33            | 3                | 19    | 21                   | -7    | 52    | (*)                 | 58        | (*)                               | 6     | -2    | 31    | (*)   |         |                     |  |
| 43   | Far East, total.....                                | 399     | 681    | 1,237  | 1,300  | 1,510  | 31                  | 718       | 387           | 35               | 191   | 148                  | 59    | 143   | 1                   | 93        | 37                                | 10    | 23    | 64    | 1     |         |                     |  |
| 44   | India.....                                          | 38      | 113    | 190    | 193    | 206    | (*)                 | (*)       | 71            | (*)              | 22    | 104                  | 8     | 7     | (*)                 | (*)       | 3                                 | 4     | -4    | 5     | (*)   |         |                     |  |
| 45   | Indonesia.....                                      | 58      | 152    | 147    | 100    | 107    | (*)                 | (*)       | 10            | (*)              | 2     | 130                  | 22    | 13    | (*)                 | (*)       | 1                                 | 5     | -9    | 1     | (*)   |         |                     |  |
| 46   | Japan.....                                          | 19      | 185    | 302    | 373    | 475    | (*)                 | (*)       | 144           | (*)              | 63    | 214                  | 54    | 28    | (*)                 | (*)       | 8                                 | 00    | 14    | 33    | (*)   |         |                     |  |
| 47   | Philippine Republic.....                            | 149     | 305    | 490    | 476    | 416    | (*)                 | (*)       | 110           | 27               | 04    | 214                  | -12   | 21    | (*)                 | (*)       | 15                                | 7     | 14    | 18    | (*)   |         |                     |  |
| 48   | Other countries.....                                | 45      | 108    | 168    | 160    | 248    | (*)                 | (*)       | 37            | 4                | 50    | 107                  | 27    | 41    | (*)                 | (*)       | 10                                | 31    | 8     | 8     | (*)   |         |                     |  |
| 49   | Oceania, total.....                                 | 254     | 638    | 1,308  | 1,271  | 1,463  | 79                  | 498       | 728           | 1                | 81    | 88                   | 116   | 106   | 1                   | 24        | 29                                | 15    | 43    | 63    | 6     |         |                     |  |
| 50   | Australia.....                                      | 201     | 523    | 967    | 1,007  | 1,277  | 70                  | (*)       | 601           | (*)              | 57    | 480                  | 100   | 89    | (*)                 | (*)       | 81                                | 28    | 38    | 71    | 6     |         |                     |  |
| 51   | New Zealand.....                                    | 25      | 15     | 43     | 65     | 86     | (*)                 | (*)       | 30            | (*)              | 23    | 38                   | 13    | 13    | (*)                 | (*)       | -2                                | 3     | 3     | 11    | (*)   |         |                     |  |
| 52   | Other countries.....                                | 30      | 47     | 87     | 85     | 89     | (*)                 | (*)       | (*)           | (*)              | (*)   | 99                   | -1    | (*)   | (*)                 | (*)       | (*)                               | (*)   | 2     | 2     | (*)   |         |                     |  |
| 53   | International.....                                  | 356     | 1,041  | 1,465  | 1,647  | 1,782  | 990                 |           | 746           |                  |       |                      | 74    | 27    |                     | 23        |                                   | -6    | 115   | 82    |       |         |                     |  |

\*Revised.

\*Preliminary.

\*Combined in "other industries."

\*\*Less than \$500,000.

Note.—Detail may not add to totals because of rounding.

1. The value of direct investments abroad in 1963 was adjusted by \$34 million owing to valuation adjustments on companies' books, profit and losses on liquidations, or transfers to other investment categories. The changes in values from year to year for some countries and industries are affected not only by the capital flows shown in table 3, but also by the flows between primary and secondary foreign affiliates shown in table 4.

## Selected Countries and Years, With Major Industries for 1963

## Earnings, by Selected Countries, With Major Industries for 1963

## by Selected Countries, With Major Industries for 1963

[Millions of dollars]

| Table 3—Continued                       |                         |       |       | Table 4  |       |                                |                |                         |        |       |       |                                |                |                         | Line |       |
|-----------------------------------------|-------------------------|-------|-------|----------|-------|--------------------------------|----------------|-------------------------|--------|-------|-------|--------------------------------|----------------|-------------------------|------|-------|
| Undistributed subsidiary earnings—Cont. |                         |       |       | Earnings |       |                                |                |                         | Income |       |       |                                |                |                         |      |       |
| 1963 *                                  |                         |       |       | 1963 *   |       |                                |                |                         | 1963 * |       |       |                                |                |                         |      |       |
| Petro-<br>leum                          | Manu-<br>factur-<br>ing | Other |       | 1962     | Total | Mining<br>and<br>smelt-<br>ing | Petro-<br>leum | Manu-<br>factur-<br>ing | Other  | 1962  | Total | Mining<br>and<br>smelt-<br>ing | Petro-<br>leum | Manu-<br>factur-<br>ing |      | Other |
| 182                                     | 882                     | 485   | 4,235 | 4,872    | 359   | 1,828                          | 1,329          | 880                     | 3,009  | 2,409 | 293   | 1,554                          | 688            | 451                     | 1    |       |
| 09                                      | 338                     | 78    | 625   | 930      | 54    | 159                            | 341            | 142                     | 470    | 441   | 63    | 88                             | 296            | 103                     | 2    |       |
| 11                                      | 81                      | 74    | 1,010 | 964      | 147   | 488                            | 153            | 384                     | 701    | 601   | 141   | 466                            | 79             | 124                     | 3    |       |
| 1                                       | 23                      | 54    | 213   | 178      | 28    | 3                              | 40             | 160                     | 88     | 163   | 28    | 2                              | 25             | 98                      | 4    |       |
| 101                                     | 17                      | 1     | 2     | -3       | 11    | 1                              | 1              | -2                      | (*)    | 7     | 1     | 1                              | (*)            | -2                      | 5    |       |
| 102                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 13                      | 44     | 48    | 11    | 1                              | 1              | 15                      | 6    |       |
| 103                                     | 17                      | 1     | 33    | 28       | 7     | 1                              | 1              | 77                      | 18     | 23    | 7     | 1                              | 1              | 22                      | 7    |       |
| 104                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 8    |       |
| 105                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 9    |       |
| 106                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 10   |       |
| 107                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 11   |       |
| 108                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 12   |       |
| 109                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 13   |       |
| 110                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 14   |       |
| 111                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 15   |       |
| 112                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 16   |       |
| 113                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 17   |       |
| 114                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 18   |       |
| 115                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 19   |       |
| 116                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 20   |       |
| 117                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 21   |       |
| 118                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 22   |       |
| 119                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 23   |       |
| 120                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 24   |       |
| 121                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 25   |       |
| 122                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 26   |       |
| 123                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 27   |       |
| 124                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 28   |       |
| 125                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 29   |       |
| 126                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 30   |       |
| 127                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 31   |       |
| 128                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 32   |       |
| 129                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 33   |       |
| 130                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 34   |       |
| 131                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 35   |       |
| 132                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 36   |       |
| 133                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 37   |       |
| 134                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 38   |       |
| 135                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 39   |       |
| 136                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 40   |       |
| 137                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 41   |       |
| 138                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 42   |       |
| 139                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 43   |       |
| 140                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 44   |       |
| 141                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 45   |       |
| 142                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 46   |       |
| 143                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 47   |       |
| 144                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 48   |       |
| 145                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 49   |       |
| 146                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 50   |       |
| 147                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 51   |       |
| 148                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 52   |       |
| 149                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 53   |       |
| 150                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 54   |       |
| 151                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 55   |       |
| 152                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 56   |       |
| 153                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 57   |       |
| 154                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 58   |       |
| 155                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 59   |       |
| 156                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 60   |       |
| 157                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 61   |       |
| 158                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 62   |       |
| 159                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 63   |       |
| 160                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 64   |       |
| 161                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 65   |       |
| 162                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 66   |       |
| 163                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 67   |       |
| 164                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 68   |       |
| 165                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 69   |       |
| 166                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 70   |       |
| 167                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 71   |       |
| 168                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 72   |       |
| 169                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 73   |       |
| 170                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 74   |       |
| 171                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 75   |       |
| 172                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 76   |       |
| 173                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 77   |       |
| 174                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 78   |       |
| 175                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 79   |       |
| 176                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 80   |       |
| 177                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 81   |       |
| 178                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 82   |       |
| 179                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 83   |       |
| 180                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 84   |       |
| 181                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 85   |       |
| 182                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 86   |       |
| 183                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 87   |       |
| 184                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 88   |       |
| 185                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 89   |       |
| 186                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 90   |       |
| 187                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 91   |       |
| 188                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 92   |       |
| 189                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 93   |       |
| 190                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 94   |       |
| 191                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 95   |       |
| 192                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 96   |       |
| 193                                     | 17                      | 1     | 109   | 88       | 11    | 1                              | 1              | 19                      | 28     | 27    | 1     | 1                              | 1              | 19                      | 97   |       |
| 194                                     | 17                      | 1     | 1     |          |       |                                |                |                         |        |       |       |                                |                |                         |      |       |

2. Income is the sum of dividends, interest

### Manufacturing and petroleum investments spurt

Most of the direct foreign investment activity is in the manufacturing and petroleum industries, and both grew at an accelerated rate in 1963. About \$1.6 billion was added to the value of manufacturing affiliates abroad, with capital flows rising only slightly from the 1962 level to a total of about \$700 million while reinvested earnings rose sharply to a peak of \$350 million.

Table 5.—New Foreign Issues Placed in the United States, 1960—June 1964

(Millions of dollars; before deducting discounts and commissions)

| Area                                                        | Gross amount sold |                  |                   | U.S. portion |                  |                   |
|-------------------------------------------------------------|-------------------|------------------|-------------------|--------------|------------------|-------------------|
|                                                             | Total             | Publicly offered | Privately offered | Total        | Publicly offered | Privately offered |
| 1964 (January-June)*                                        |                   |                  |                   |              |                  |                   |
| Total                                                       | 433               | 140              | 293               | 400          | 123              | 277               |
| Canada                                                      | 273               | 10               | 263               | 265          | 0                | 265               |
| Europe                                                      | 15                | 10               | 5                 | 0            | 0                | 0                 |
| Australia, Republic of South Africa, New Zealand, and Japan | 120               | 120              | 0                 | 121          | 106              | 15                |
| Other countries                                             | 5                 | 0                | 5                 | 0            | 0                | 0                 |
| International Bank                                          | 0                 | 0                | 0                 | 0            | 0                | 0                 |
| 1963 (July-December)                                        |                   |                  |                   |              |                  |                   |
| Total                                                       | 310               | 143              | 167               | 276          | 104              | 172               |
| Canada                                                      | 190               | 0                | 190               | 190          | 0                | 190               |
| Europe                                                      | 0                 | 0                | 0                 | 0            | 0                | 0                 |
| Australia, Republic of South Africa, New Zealand, and Japan | 60                | 49               | 11                | 60           | 45               | 15                |
| Other countries                                             | 74                | 74               | 0                 | 67           | 59               | 8                 |
| International Bank                                          | 0                 | 0                | 0                 | 0            | 0                | 0                 |
| 1963 (January-June)                                         |                   |                  |                   |              |                  |                   |
| Total                                                       | 1,169             | 204              | 965               | 1,066        | 185              | 881               |
| Canada                                                      | 608               | 25               | 583               | 587          | 27               | 560               |
| Europe                                                      | 285               | 108              | 177               | 220          | 45               | 175               |
| Australia, Republic of South Africa, New Zealand, and Japan | 103               | 126              | 38                | 130          | 90               | 40                |
| Other countries                                             | 27                | 30               | 0                 | 49           | 33               | 16                |
| International Bank                                          | 0                 | 0                | 0                 | 0            | 0                | 0                 |
| 1962                                                        |                   |                  |                   |              |                  |                   |
| Total                                                       | 1,208             | 222              | 986               | 1,085        | 213              | 872               |
| Canada                                                      | 179               | 0                | 179               | 179          | 0                | 179               |
| Europe                                                      | 273               | 214              | 59                | 198          | 140              | 58                |
| Australia, Republic of South Africa, New Zealand, and Japan | 230               | 200              | 30                | 208          | 130              | 78                |
| Other countries                                             | 183               | 62               | 121               | 180          | 43               | 137               |
| International Bank                                          | 0                 | 0                | 0                 | 0            | 0                | 0                 |
| 1961                                                        |                   |                  |                   |              |                  |                   |
| Total                                                       | 612               | 277              | 335               | 538          | 213              | 325               |
| Canada                                                      | 251               | 60               | 191               | 229          | 40               | 189               |
| Europe                                                      | 53                | 43               | 10                | 56           | 17               | 39                |
| Australia, Republic of South Africa, New Zealand, and Japan | 126               | 89               | 37                | 100          | 41               | 59                |
| Other countries                                             | 131               | 85               | 46                | 120          | 89               | 31                |
| International Bank                                          | 0                 | 0                | 0                 | 0            | 0                | 0                 |
| 1960                                                        |                   |                  |                   |              |                  |                   |
| Total                                                       | 650               | 440              | 210               | 567          | 344              | 223               |
| Canada                                                      | 257               | 173              | 84                | 221          | 141              | 80                |
| Europe                                                      | 50                | 36               | 14                | 34           | 11               | 23                |
| Australia, Republic of South Africa, New Zealand, and Japan | 41                | 30               | 11                | 42           | 37               | 5                 |
| Other countries                                             | 193               | 87               | 106               | 179          | 65               | 114               |
| International Bank                                          | 0                 | 0                | 0                 | 0            | 0                | 0                 |

\* Preliminary. \* Less than \$500,000.

1. Includes \$50 million offering of Inter-American Development Bank bonds.

2. Includes \$115 million of bonds of Shell Funding Corp.

3. Includes \$76 million offering of Inter-American Development Bank bonds.

Note.—The amounts shown for U.S. purchases exceed the figures used in the balance of payments because the latter excluded discounts and commissions. The International Bank for Reconstruction and Development issues are reduced by the amount of delayed deliveries included in subsequent years.

Most of the additional investment went into Canada and Europe (\$1.1 billion) and other developed countries. In the less developed countries there were gains in "Other Western Hemisphere" and small increases in a few Asian and some Latin American countries, but for the Latin American Republics as a whole manufacturing investments were lower than in 1962.

As noted above, there was a sharp rise in the proportion of manufacturing earnings retained abroad, which rose to over 55 percent in 1963, compared to 40 percent in 1962 and an average of 50 percent in the 1958-61 period.

Within the overall manufacturing category, the largest investments made in 1963 were by producers of transportation equipment (largely automobiles) and chemicals. As shown in table 6, there has been a nearly four-fold increase in U.S. manufacturing investments abroad since 1950, and the rate of expansion by the automobile and chemical companies has been even higher. Other industry groups within manufacturing with notable gains abroad were machinery (nonelectrical) and primary and fabricated metals.

Petroleum investments abroad were increased by \$1.0 billion in 1963 (\$0.7 billion in 1962). There was heightened activity in Europe, mainly in refining but also in other branches of the industry, in Middle East producing properties, in Far Eastern refinery and other operations, and in Canada.

It is estimated that U.S. companies increased their production of crude oil abroad by nearly 12 percent in 1963 and their foreign refining capacity by about 10 percent.

### Earnings and Income

Earnings on U.S. direct foreign investments moved up about 8 percent to \$4.6 billion in 1963, keeping fairly close to the increase in book values. The overall ratio of earnings to book values remained at about 11 percent, where it has been with little variation since 1958. About two-thirds of the rise in earnings was accounted for by the manufacturing affiliates, primarily in Europe and Canada but smaller gains showed up in all other areas as well. With the upsurge of demand in most European countries earnings generally improved, in contrast to rather

widespread declines in 1962. Higher earnings in Canada resulted from a similar development.

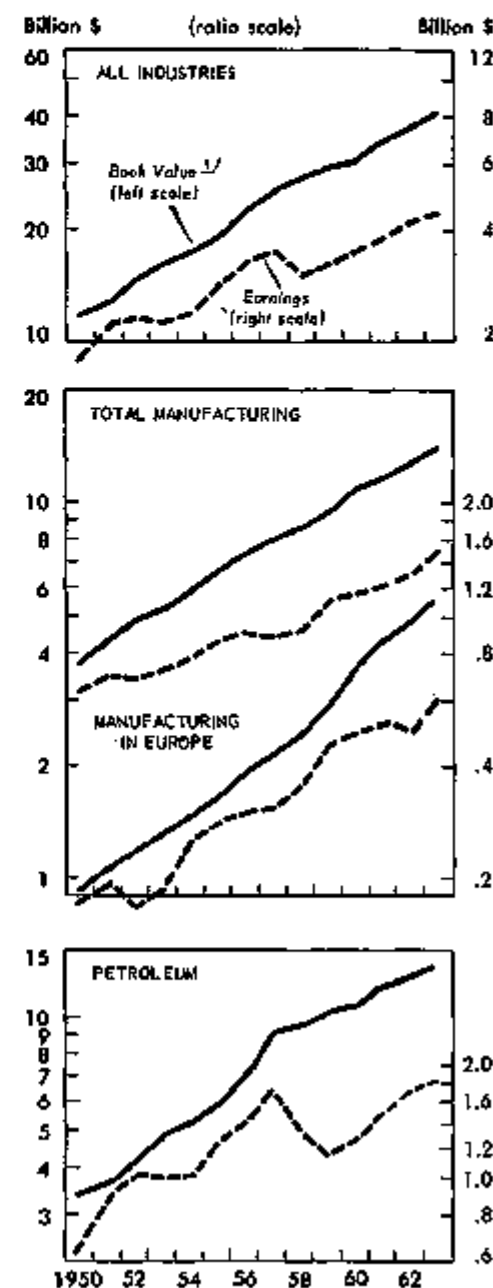
Petroleum investments showed moderately higher earnings in 1963, though the total of \$1.8 billion was not much above the previous peak in 1957. About half of the gain in 1963 reflected the beginning of substantial production in North Africa, reversing earlier losses related to the exploration and develop-

### DIRECT INVESTMENTS

Earnings Grew Less Rapidly Than Book Values in 1963

Manufacturing Earnings Recovered From 1962 Slump

Earnings in Petroleum Continued Gradual Increase



\*/ End of Year

ment process. Petroleum earnings were also somewhat higher in Asia and in Canada.

Earnings of other industries did not change materially in 1963; the only sizable gain was connected with the expanded activity of affiliates in wholesale and retail distribution. There was some reduction in earnings of agricultural and mining properties.

#### Income remittances unchanged

While earnings rose in 1963, there was no increase in the \$3.1 billion that came to the United States as dividends, interest and branch profits. For instance, while earnings in manufacturing operations rose by \$225 million, income paid to the United States actually dropped by nearly \$90 million, leading to an increase of nearly \$340 million in earnings retained abroad. Income remittances of this industry were lower in every area.

The decline in income receipts from manufacturing affiliates was about matched by higher receipts from petro-

leum operations in most areas. Much of the petroleum investment in producing properties is organized as branches for tax reasons, and branch profits are counted as "received" when earned—for tax purposes and in the balance of payments accounts—without regard to whether an actual remittance occurs. Consequently, income receipts (as shown in table 4) tend to be dominated by the branch profits in petroleum.

Other industries taken together account for substantial earnings and income receipts, \$1.2 billion and \$0.7 billion, respectively, in 1963, about the same as in 1962.

Royalties and fees received from foreign affiliates exceeded \$600 million in 1963, and continued to grow more rapidly than returns in the form of dividends and profits. For manufacturing in particular, receipts of royalties and fees of nearly \$350 million in 1963 (table 8) were over half as large as dividends received from foreign affiliates.

### Foreign Investments in the U.S.

During 1963 foreign long-term investments in the United States rose by the very large amount of \$2.6 billion. As shown in table 1, however, about \$2 billion of this represented the gain in market value of U.S. corporate stocks held abroad, including securities in the portfolio of U.S. branches of foreign insurance companies. The year before, there had been sharp declines in values, following the market break in May 1962.

Foreign net purchases of U.S. equity securities have followed the course of the U.S. market quite closely: Net liquidations showed up quickly after May 1962, and net purchases again became evident in the last quarter of the year and throughout 1963. Net purchases in 1963 were about \$200 million, which was below the peaks of over \$300 million registered in 1959 and 1961, but above the \$150 million annual average since 1951. In spite of the continued relatively strong performance of the U.S. stock market, however, there were net foreign sales of U.S. stocks amounting to nearly \$100 million in the first half of 1964. Most of the selling was for British account.

By the end of 1963 the aggregate market value of the U.S. corporate

stocks held abroad was estimated at \$12.5 billion, with the largest amounts recorded for Switzerland (nearly \$4 billion), the United Kingdom (over \$2½ billion), and Canada (\$1½ billion). The actual owners, of course, are not necessarily in the countries of record.

#### Foreign direct investments

The value of foreign direct investments at the end of 1963 was a little less than \$8 billion, an increase of \$330 million over the previous year. This rise consisted of \$235 million in undistributed profits of U.S. subsidiaries, a \$100 million increase in the market value of securities held by insurance companies, and a small reduction from net capital outflows.

Table 6.—Direct Investments in Manufacturing Enterprises Abroad, Selected Years, 1950-63, by Commodity\*  
(Millions of dollars; year-end book values)

|                                  | 1950  | 1957  | 1961   | 1962   | 1963   |
|----------------------------------|-------|-------|--------|--------|--------|
| Manufacturing, total...          | 3,831 | 5,409 | 11,937 | 13,250 | 14,520 |
| Food products...                 | 468   | 723   | 1,018  | 1,105  | 1,242  |
| Paper and allied products...     | 378   | 722   | 923    | 907    | 1,063  |
| Chemicals and allied products... | 612   | 1,379 | 2,059  | 2,200  | 2,690  |
| Rubber products...               | 182   | 401   | 531    | 563    | 623    |
| Primary and fabricated metals... | 385   | 641   | 1,373  | 1,405  | 1,850  |
| Machinery (except electrical)    | 420   | 527   | 1,403  | 1,028  | 1,805  |
| Electrical machinery...          | 357   | 721   | 1,004  | 1,306  | 1,198  |
| Transportation equipment...      | 485   | 1,204 | 2,280  | 2,580  | 2,911  |
| Other products...                | 599   | 563   | 1,385  | 1,548  | 1,782  |

\* Data for a limited number of areas are available on request.

Note.—Detail may not add to totals because of rounding. 1. 1964, 1962 and 1963 data exclude Cuba. These investments were estimated at year-end 1960 at \$111 million.

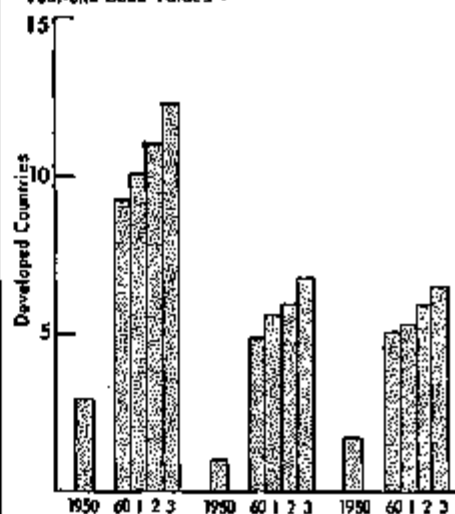
Table 7.—Net Capital Flows Between Primary and Secondary Foreign Affiliates, 1961-63  
(Millions of dollars; net inflows (-))

|                    | 1961 | 1962 | 1963 |
|--------------------|------|------|------|
| Canada...          | -1   | -    | -4   |
| Latin America...   | -2   | 16   | -1   |
| Panama...          | 10   | 14   | 14   |
| Argentina...       | -6   | -11  | -14  |
| Mexico...          | -4   | 11   | -5   |
| Europe...          | -    | -22  | 24   |
| France...          | -15  | -14  | -5   |
| Germany...         | -8   | -4   | -20  |
| Italy...           | -25  | -21  | -9   |
| Switzerland...     | 10   | 35   | 705  |
| United Kingdom...  | -5   | -9   | -4   |
| Other Europe...    | -5   | -22  | -43  |
| Other countries... | -6   | 9    | -19  |

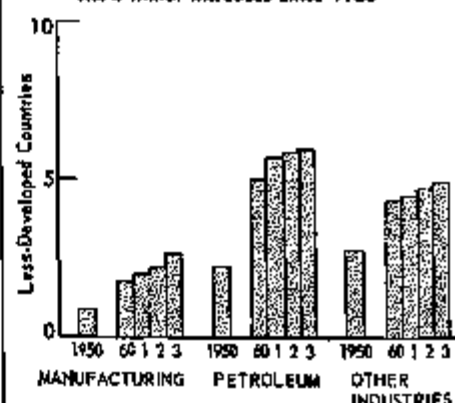
### PROFILE OF U.S. DIRECT INVESTMENTS ABROAD

Growth Has Been Concentrated in DEVELOPED COUNTRIES, With Major Gains in Manufacturing and Petroleum

Billion \$  
Year-end Book Values -



Investments in LESS DEVELOPED COUNTRIES Show Minor Increases Since 1960



U.S. Department of Commerce, Office of Business Economics 64-B-5

In 1963 there was a net outflow of capital of \$5 million from foreign-owned companies in the United States to their parents and affiliates abroad, as compared to a net inflow of \$132 million in

Table 8.—Direct Investment Receipts of Royalties and Fees,<sup>1</sup> by Area and Major Industries, 1961-63

(Millions of dollars)

| Area and Industry           | 1961       | 1962       | 1963*      |
|-----------------------------|------------|------------|------------|
| <b>All Areas, total</b>     | <b>448</b> | <b>648</b> | <b>622</b> |
| Petroleum                   | 95         | 97         | 108        |
| Manufacturing               | 280        | 303        | 340        |
| Trade                       | 47         | 56         | 65         |
| Other industries            | 26         | 82         | 103        |
| <b>Canada, total</b>        | <b>182</b> | <b>114</b> | <b>129</b> |
| Petroleum                   | 14         | 15         | 14         |
| Manufacturing               | 96         | 77         | 88         |
| Trade                       | 6          | 7          | 6          |
| Other industries            | 14         | 15         | 16         |
| <b>Latin America, total</b> | <b>163</b> | <b>123</b> | <b>123</b> |
| Petroleum                   | 24         | 27         | 27         |
| Manufacturing               | 43         | 49         | 45         |
| Trade                       | 13         | 16         | 17         |
| Other industries            | 24         | 31         | 31         |
| <b>Europe, total</b>        | <b>161</b> | <b>210</b> | <b>269</b> |
| Petroleum                   | 21         | 19         | 18         |
| Manufacturing               | 106        | 139        | 170        |
| Trade                       | 19         | 27         | 32         |
| Other industries            | 15         | 25         | 32         |
| <b>Other areas, total</b>   | <b>62</b>  | <b>207</b> | <b>124</b> |
| Petroleum                   | 37         | 36         | 48         |
| Manufacturing               | 22         | 36         | 42         |
| Trade                       | 0          | 0          | 9          |
| Other industries            | 14         | 21         | 21         |

\* Preliminary.

Note.—Detail may not add to totals because of rounding.

1. Excludes foreign film rentals.

Table 9.—Foreign Direct Investments in the United States—Capital Flow by Type, Area and Industry, 1962-63

(Millions of dollars; outflow (-))

| Area and Industry            | 1962       |           | 1963      |            |
|------------------------------|------------|-----------|-----------|------------|
|                              | Total      | New       | Total     | New        |
| <b>All Areas, total</b>      | <b>132</b> | <b>38</b> | <b>-5</b> | <b>-79</b> |
| Canada                       | 43         | 7         | 44        | 28         |
| United Kingdom               | 16         | 2         | 44        | 12         |
| Other Europe                 | 43         | 27        | -61       | -75        |
| Belgium                      | 5          | 3         | -2        | -2         |
| France                       | 4          | 14        | -5        | -5         |
| Germany                      | 21         | 2         | -9        | -10        |
| Italy                        | 22         | 1         | 10        | -6         |
| Netherlands                  | -16        | 1         | -36       | -50        |
| Sweden                       | 1          | 1         | (*)       | (*)        |
| Switzerland                  | -1         | 3         | -3        | -5         |
| Other                        | 3          | 1         | 3         | 3          |
| Latin America                | 8          | 1         | -24       | -17        |
| Japan                        | 24         | 1         | -10       | -21        |
| Other areas                  | -3         | 1         | 3         | 3          |
| <b>All Industries, total</b> | <b>132</b> | <b>38</b> | <b>-5</b> | <b>-79</b> |
| Petroleum                    | -23        | 1         | -41       | -60        |
| Manufacturing                | 41         | 27        | 42        | 83         |
| Trade                        | 33         | 4         | -51       | -30        |
| Insurance                    | 36         | 1         | -37       | -2         |
| Other finance                | 11         | 6         | 37        | 30         |
| Other                        | -17        | 1         | 45        | 35         |

\* Less than \$500,000.

1. "New investments" represents initial investments in U.S. companies or increase in equity capital of existing foreign-owned U.S. companies.

2. Primarily represents sale of a controlling interest in a U.S. company in exchange for a minority interest in the U.S. purchaser.

Note.—Detail may not add to totals because of rounding.

1962. This development did not reflect a reduction of new investment activity in the form of initial investments in U.S. companies or additions to equity capital in existing companies. New investments in 1963 amounted to \$150 million, considerably more than the \$38 million for 1962 (table 9). About \$90 million of this total was initial investments in U.S. companies and \$60 million represented additional equity capital in existing companies.

The net outflow for 1963 was largely the result of activity in open accounts between U.S. companies and their parent organizations and affiliates abroad, which went from an inflow of \$120 million in 1962 to an outflow of \$80 million in 1963. These open account transactions fluctuate widely, especially for trading companies. About half of the outflow on intercompany account in 1963, or about \$40 million, was accounted for by trading companies, and this was in large measure a repayment of \$80 million of inflows by these companies in the previous year. The remainder of the 1963 capital outflow was accounted for by \$77 million of liquidations of foreign investments, more than half of which resulted from the purchase of a Swiss-owned insurance company by a U.S. company through the exchange of stock.

Earnings of the foreign-controlled companies rose 18 percent in 1963 to \$511 million. Of this amount companies engaged in petroleum and manufacturing accounted for \$150 million and \$200 million, respectively. Each showed considerable gain from the previous year, petroleum earnings rising about one-fifth and manufacturing one-third. The manufacturing companies raised their dividends in 1963, by an amount about equal to their increase in earnings, but for some time most of the petroleum earnings have remained undistributed as dividends.

#### Short-term investments

A further increase of \$2.6 billion occurred in 1963 in foreign holdings of short-term assets in the United States and various types of U.S. Government obligations. Of this amount, about \$2.2 billion represented liquid assets—largely deposits in U.S. banks, commercial paper held with banks, and

marketable U.S. Government obligations, but including for 1963 an increase of \$702 million in foreign holdings of nonmarketable U.S. Government obligations convertible into marketable obligations on short notice. It is this \$2.2 billion, together with the change in our gold stock and monetary assets—a decrease of \$400 million in 1963—that corresponds to a net decline in U.S. monetary liquidity of \$2.6 billion

(Continued on page 84)

Table 10.—Foreign Direct Investments in the United States—Earnings, Income Paid Out, and Undistributed Profits, by Area and by Industry, 1962-63

(Millions of dollars)

| Area and Industry  | 1962       |                 |                                  | 1963       |                 |                                  |
|--------------------|------------|-----------------|----------------------------------|------------|-----------------|----------------------------------|
|                    | Earnings   | Income paid out | Undistributed subsidiary profits | Earnings   | Income paid out | Undistributed subsidiary profits |
| <b>Total</b>       | <b>632</b> | <b>248</b>      | <b>214</b>                       | <b>511</b> | <b>238</b>      | <b>236</b>                       |
| <b>By Area</b>     |            |                 |                                  |            |                 |                                  |
| Canada             | 147        | 105             | 58                               | 177        | 128             | 68                               |
| United Kingdom     | 135        | 65              | 44                               | 143        | 65              | 77                               |
| Other Europe       | 172        | 78              | 114                              | 182        | 96              | 97                               |
| Other areas        | 118        | 13              | 1                                | 103        | 16              | 14                               |
| <b>By Industry</b> |            |                 |                                  |            |                 |                                  |
| Petroleum          | 120        | 14              | 110                              | 164        | 17              | 138                              |
| Manufacturing      | 145        | 70              | 38                               | 197        | 123             | 80                               |
| Trade              | 10         | 8               | 10                               | 10         | 0               | 7                                |
| Insurance          | 86         | 65              | 6                                | 41         | 51              | —                                |
| Other finance      | 79         | 23              | 2                                | 92         | 10              | 5                                |
| Other industries   | (*)        | 13              | -3                               | 6          | 16              | (*)                              |

\* Less than \$500,000.

Note.—Detail may not add to totals because of rounding.

Table 11.—Value of Foreign Direct Investments in the United States by Area and Industry, 1950, 1960-63

(Millions of dollars)

| Area and Industry     | 1950         | 1960         | 1961         | 1962*        | 1963*        |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total</b>          | <b>5,391</b> | <b>6,926</b> | <b>7,322</b> | <b>7,612</b> | <b>7,944</b> |
| <b>By Area</b>        |              |              |              |              |              |
| Canada                | 1,025        | 1,034        | 1,080        | 2,044        | 2,163        |
| United Kingdom        | 1,168        | 2,246        | 2,484        | 2,474        | 2,045        |
| Other Europe          | 1,080        | 2,420        | 2,644        | 2,771        | 2,826        |
| Belgium               | (*)          | 187          | 151          | 168          | 194          |
| France                | (*)          | 168          | 175          | 183          | 182          |
| Germany               | (*)          | 163          | 120          | 143          | 147          |
| Italy                 | (*)          | 71           | 80           | 106          | 102          |
| Netherlands           | 334          | 947          | 1,023        | 1,882        | 1,124        |
| Sweden                | (*)          | 160          | 170          | 170          | 186          |
| Switzerland           | 246          | 773          | 830          | 336          | 825          |
| Other countries       | 377          | 74           | 50           | 53           | 80           |
| Japan                 | (*)          | 88           | 92           | 112          | 104          |
| Other areas           | 124          | 181          | 162          | 190          | 165          |
| <b>By Industry</b>    |              |              |              |              |              |
| Petroleum             | 405          | 1,238        | 1,325        | 2,419        | 1,613        |
| Manufacturing         | 1,138        | 2,511        | 2,724        | 2,885        | 3,016        |
| Transportation        | (*)          | 406          | 405          | 404          | 400          |
| Trade                 | (*)          | 634          | 633          | 760          | 788          |
| Finance and insurance | 1,005        | 1,810        | 2,025        | 1,943        | 2,045        |
| Other industries      | 784          | 309          | 291          | 213          | 267          |

\* Revised.

\* Preliminary.

1. Included in other countries.  
2. Included in other areas.  
3. Included in other industries.  
4. Includes approximately \$100 million due to upward revision of securities held by insurance companies.  
Note.—Detail may not add to totals because of rounding.



(Continued from page 14)

for the year, or \$1.9 billion if the special issues of \$702 million are not counted as liquid.

The remainder of the aggregate increase of \$2.6 billion in foreign holdings consisted primarily of an increase of over \$450 million in various U.S. Government liabilities, of which the largest were advances by foreign governments on military purchases here, special nonmarketable obligations issued to international organizations in connection with subscriptions, and nonmarketable nonconvertible issues held by foreign governments.

### Overall Investment Position

The statement of international assets and liabilities shown in table 12 is often used as a measure of international financial strength of the United States. Although the sum total of U.S. foreign assets exceeds the sum of foreign holdings here by nearly \$37 billion (not including as an asset the U.S. gold stock), the types of assets and liabilities, and their valuations, are so different that the net difference, without qualifications, has little significance. This is especially so when comparisons are made over a long period of time.

On the asset side, a comparison of 1963 with 1950 shows that while private foreign investments have expanded by \$47 billion, the gold stock has declined over \$7 billion, and the increase of \$9.3 billion in U.S. Government assets includes over \$6 billion payable in foreign currencies of limited usefulness. Deducting these amounts gives an adjusted increase in private and Government assets of \$44 billion. On the liabilities side the overall increase from 1950 was about \$34 billion, so that the adjusted increase in net foreign assets after 1950 would be about \$10 billion.

The 1950-63 expansion of U.S. assets abroad was largely in direct investments (\$29 billion). While it is probably true that the book values used are lower than the replacement cost of assets or market valuations of the enterprises, the extent of the difference would vary so much among industries and areas that no overall evaluation can be made.

On the other hand, the increase of foreign assets in the United States since 1950 was largely in short-term assets and Government obligations (\$19 billion) and in corporate stocks (\$9.6 billion), with a smaller increase in direct investments (\$4.6 billion). Of the increase in the holdings of corporate stocks, about \$2 billion represented net foreign purchases in the period and the remainder resulted from rising market valuations.

Another approach to an evaluation of the significance of the changes in the debtor-creditor position involves a comparison of the earnings derived from investments. Earnings of U.S. private investments abroad rose from \$2 billion in 1950 to \$5.8 billion in 1963, while comparable foreign earnings in the United States rose from \$500 million to \$1 billion. On this basis there was clearly a considerable strengthening of the U.S. international position.

Table 12.—International Investment Position of the United States, Total 1950, by Area 1962-63

(Millions of dollars)

| Type of investment                                                                     | Total  |        |        | Western Europe |        | Canada |        | Latin American Republics |        | Other foreign countries |        | International institutions and multilateral |       |
|----------------------------------------------------------------------------------------|--------|--------|--------|----------------|--------|--------|--------|--------------------------|--------|-------------------------|--------|---------------------------------------------|-------|
|                                                                                        | 1950   | 1962   | 1963   | 1962           | 1963   | 1962   | 1963   | 1962                     | 1963   | 1962                    | 1963   | 1962                                        | 1963  |
| <b>U.S. assets and investments abroad, total</b>                                       | 31,638 | 59,343 | 58,154 | 22,689         | 24,818 | 19,915 | 21,674 | 16,222                   | 15,742 | 37,990                  | 21,110 | 4,893                                       | 4,969 |
| Gold stock (not included in total)                                                     | 22,850 | 16,067 | 15,890 |                |        |        |        |                          |        |                         |        |                                             |       |
| <b>Private investments</b>                                                             | 19,084 | 56,026 | 56,356 | 14,634         | 16,303 | 15,508 | 21,658 | 12,111                   | 12,358 | 10,645                  | 12,630 | 2,837                                       | 2,897 |
| Long-term                                                                              | 17,488 | 52,732 | 58,250 | 12,059         | 15,352 | 18,612 | 20,285 | 10,185                   | 10,380 | 8,140                   | 9,408  | 2,830                                       | 2,890 |
| Direct                                                                                 | 11,788 | 47,220 | 46,046 | 6,030          | 10,351 | 12,133 | 13,010 | 8,424                    | 8,647  | 0,092                   | 0,880  | 1,047                                       | 1,732 |
| Foreign dollar bonds                                                                   | 1,022  | 6,318  | 7,350  | 234            | 179    | 3,359  | 3,351  | 330                      | 338    | 1,104                   | 1,284  | 1,080                                       | 1,074 |
| Other foreign bonds                                                                    | 1,400  | 800    | 775    | 66             | 60     | 341    | 280    | 24                       | 24     | 69                      | 15     | 7                                           | 103   |
| Foreign corporate stocks                                                               | 1,175  | 4,714  | 3,145  | 2,113          | 2,319  | 3,301  | 2,401  | 64                       | 45     | 230                     | 300    |                                             |       |
| Banking claims                                                                         | 380    | 1,060  | 2,816  | 877            | 1,061  | 104    | 75     | 878                      | 965    | 491                     | 194    |                                             |       |
| Other                                                                                  | 977    | 1,878  | 1,400  | 748            | 702    | 224    | 210    | 400                      | 311    | 235                     | 201    |                                             |       |
| Short-term assets and claims                                                           | 1,318  | 7,293  | 8,110  | 1,565          | 1,041  | 1,280  | 1,313  | 1,928                    | 3,695  | 3,167                   |        | 1                                           | 1     |
| Reported by banks                                                                      | 888    | 5,101  | 5,816  | 869            | 612    | 626    | 611    | 1,635                    | 1,658  | 2,171                   | 2,737  | (*)                                         |       |
| Other                                                                                  | 430    | 2,192  | 2,292  | 696            | 729    | 770    | 702    | 381                      | 200    | 334                     | 430    |                                             |       |
| <b>U.S. Government credits and claims</b>                                              | 12,536 | 29,318 | 21,768 | 7,835          | 7,435  | 7      | 8      | 3,111                    | 3,375  | 7,249                   | 8,480  | 2,060                                       | 2,143 |
| Long-term credits                                                                      | 10,708 | 16,042 | 17,146 | 7,211          | 7,020  |        |        | 2,922                    | 3,133  | 4,040                   | 4,042  | 960                                         | 1,042 |
| Payable in dollars                                                                     | n.a.   | n.a.   | 13,160 | n.a.           | 5,002  |        |        | n.a.                     | 3,671  | n.a.                    | 3,250  | n.a.                                        | 1,042 |
| Payable in foreign currencies, etc.                                                    | n.a.   | n.a.   | 2,338  | n.a.           | 1,037  |        |        | n.a.                     | 203    | n.a.                    | 2,687  | n.a.                                        |       |
| Foreign currencies and short-term claims                                               | 322    | 3,113  | 3,396  | 578            | 667    | 4      | 2      | 180                      | 242    | 2,310                   | 2,538  | 23                                          | 25    |
| IMF gold tranche position and monetary authorities' holdings of convertible currencies | 1,446  | 1,108  | 1,247  | 58             | 200    | 3      | 3      |                          |        |                         |        | 1,064                                       | 1,036 |
| <b>Foreign assets and investments in the United States, total</b>                      | 17,635 | 45,238 | 51,416 | 24,430         | 23,678 | 7,358  | 7,767  | 4,018                    | 4,789  | 5,444                   | 5,111  | 2,978                                       | 2,033 |
| Long-term                                                                              | 7,997  | 20,216 | 22,704 | 14,360         | 10,237 | 3,820  | 3,384  | 1,223                    | 1,208  | 633                     | 1,097  | 161                                         | 183   |
| Direct                                                                                 | 3,301  | 7,612  | 7,044  | 5,245          | 5,491  | 2,004  | 2,183  | 741                      | 112    | 182                     | 133    |                                             |       |
| Corporate stocks                                                                       | 2,925  | 10,395 | 12,480 | 7,597          | 8,907  | 1,242  | 1,490  | 736                      | 930    | 603                     | 657    | 40                                          | 66    |
| Corporate, state, and municipal bonds                                                  | 181    | 857    | 703    | 439            | 460    | (*)    | (*)    | 76                       | 77     | 40                      | 65     | 108                                         | 117   |
| Other                                                                                  | 1,300  | 1,013  | 1,000  | 888            | 970    | 214    | 213    | 221                      | 240    | 188                     | 204    |                                             |       |
| Short-term assets and U.S. Government obligations                                      | 9,638  | 25,022 | 28,694 | 12,121         | 13,030 | 3,538  | 3,683  | 2,795                    | 3,581  | 4,811                   | 4,014  | 2,817                                       | 2,762 |
| Private obligations                                                                    | 6,477  | 18,344 | 14,678 | 6,321          | 5,827  | 1,000  | 2,018  | 2,431                    | 2,801  | 3,170                   | 3,578  | 523                                         | 407   |
| Reported by banks                                                                      | 5,761  | 12,670 | 14,128 | 4,160          | 5,414  | 1,809  | 1,637  | 2,291                    | 2,768  | 3,030                   | 3,534  | 523                                         | 407   |
| Other                                                                                  | 716    | 704    | 758    | 263            | 413    | 60     | 81     | 140                      | 112    | 140                     | 141    | (*)                                         | (*)   |
| <b>U.S. Government obligations</b>                                                     | 3,101  | 12,720 | 13,808 | 6,800          | 7,813  | 1,631  | 1,803  | 304                      | 495    | 1,611                   | 1,530  | 2,364                                       | 2,295 |
| Bills and certificates                                                                 | 1,606  | 6,370  | 8,728  | 5,237          | 5,348  | 1,540  | 1,061  | 98                       | 225    | 1,155                   | 1,142  | 1,354                                       | 854   |
| Marketable bonds and notes                                                             | 1,470  | 2,110  | 2,742  | 706            | 741    | 380    | 483    | 123                      | 66     | 89                      | 482    | 789                                         | 1,154 |
| Nonmarketable bonds and notes                                                          |        | 261    | 893    | 261            | 768    |        | 125    |                          |        |                         |        |                                             |       |
| Other                                                                                  | 183    | 980    | 1,451  | 604            | 657    | 2      | 2      | 146                      | 172    | 77                      | 116    | 181                                         | 287   |

\* Revised. \* Preliminary. n.a. Not available. (\*) Negligible.  
 1. Represents the estimated investment in shipping companies registered primarily in Panama and Liberia.  
 2. Consists primarily of securities payable in foreign currencies, but includes some dollar obligations including through 1962 participations and loans made by the International Bank for Reconstruction and Development. Subsequent to 1962 participations in IBRD loans are included under banking claims and "other" long term, according to country of obligor.  
 3. Excludes World War I debts that are not currently being serviced.  
 4. Includes indebtedness repayable in U.S. dollars, or optionally in foreign currencies when option rests with U.S. Government.  
 5. Includes indebtedness which the borrower may contractually, or at its option, repay with its currency, with a third country's currency, or by delivery of materials or transfer of services.  
 6. New series based on a Federal Reserve Board survey as of July 31, 1963. Data to reconcile the old and new series are not available.  
 7. Includes non-interest-bearing demand notes issued in payment of subscriptions to international and regional organizations (other than IMF), portfolio fund certificates sold abroad by Export-Import Bank, liabilities associated with Government grant and capital transactions (including restricted accounts), and advances for military exports and other government sales.